

Ahead of the Curve

Economic Planning for Wyoming's Retirement Boom

A Report By Governor Freudenthal and AARP Wyoming

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AN UNTAPPED NATURAL RESOURCE

Wyoming's natural abundance in coal, oil, and natural gas has long been the foundation of our state economy. Over the years, these resources have provided a wealth of jobs and revenues. Yet the state's employment base has recently begun a shift away from this labor-intensive sector. According to the state Division of Economic Analysis, "While the number of jobs in the (mining) industry is expected to decline in the next decade . . . service and retail trade sectors will create three out of every four new jobs."

This growth could tap into one of Wyoming's most abundantly valuable natural resources: the emerging boom in retirees. Current U.S. Census predictions maintain that by the year 2020 Wyoming will lead the nation with the largest percentage of residents more than 65 years old. Composed almost entirely of baby boomers, this population is a demographic imperative that demands careful attention and deliberate planning if it is to be a vital part of the state's future.

Gov. Dave Freudenthal and AARP Wyoming held a development workshop in November 2003 called *Ahead of the Curve: Economic Planning for Wyoming's Retirement Boom*. Gov. Freudenthal asked the crowd before him to consider the facts. "If we can step back and think about our state and catalogue the resources, one of the greatest resources is this group of people."

Boomers today make up nearly one-third of the state population; in less than 20 years, nearly 40 percent of the state population will be more than 50 years old. Yet an aging society need not be a burden to the state. New research illustrates boomers' hefty buying power and overwhelming desire to remain a part of the workforce long beyond the traditional age of retirement, pointing to what Gov. Freudenthal deems "a remarkable opportunity" for Wyoming, a state bursting with boomers looking to work and ready to spend.

"There are opportunities to make sure that the aging of America and the aging of Wyoming doesn't turn out to be a negative thing," the governor explains, adopting a proactive approach. "We have an opportunity to make sure that this state thinks about the aging not just with its heart, but with its mind. And, what then will we find? An incredible resource of experience that probably knows more, has experienced more and can provide greater insights than any other group."



Lisa Wagner, of Cheyenne, uses a wheel to create bowls during her November class at Laramie County Community College in Cheyenne. Wagner is taking the class to become recertified as a teacher, a profession she is returning to after a 16-year break.

“I’m not like the old horse on the farm, I’m not going out to pasture—I’m just quitting one job and looking to a different phase of my life. And when we think about the economy, we need to think about (boomers) as a resource. Where does that put us at the end of the day? At the end of the day, it puts us with a community that considers the entire range of what people are, the way that the actual demographics of the state go. It puts us in a position where we’re talking about our economy and all of the resources that are available as opposed to part of the resources that are available. Because you know we’re all going to be there. It’s an opportunity for us to say, you know you’ve had one life, you’ve retired but there’s time for another one.”

—Governor Dave Freudenthal



WORKING BOOMERS: TRANSFORMING RETIREMENT AND THE WORKFORCE

The November 5th conference gathered nearly 100 of Wyoming's top civic and business leaders from 15 communities across the state to discuss Wyoming's economic future and the creation of a retirement industry.



AARP Director of State Operations Lee White

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AARP economist Clare Hushbeck and Director of State Operations Lee White presented more than 20 years worth of AARP research on baby boomers. Covering topics from current economic trends to the values and lifestyles of boomers nationwide, the research overwhelmingly pointed to delayed retirement for boomers.

"The Bureau of Labor and Statistics forecasts that between 2000 and 2010 there will be a 33 percent — that's a huge percentage — increase in the number of people 65 and older in the paid labor force. Some of that's just population aging but some of that is a change in values," Hushbeck says.

Values that White labels flexibility and self-sufficiency defined here as the ability to continue to earn and continue to spend.

"Whereas historically the household income and spending of this age group fell ... (boomers) are fervent in their efforts to delay the aging process," Hushbeck explains. And many believe they are able to do so not simply by postponing retirement but by completely redefining it — through new careers, self-employment, and further education.

"Retirement (in the traditional sense) for boomers is a dirty word," Hushbeck continues. It means you're not in the paid labor force and you're drawing on some sort of pension or social security, and for most boomers that equates to a thinner wallet and less fun.

For many maintaining their standard of living will necessitate continuing to work. In an AARP study "Boomers at Midlife," respondents listed 'personal finances' at the top of their list of things they'd like to improve. Hushbeck highlights the disappearance of defined benefit pension plans and their replacement by 401(k)s and other kinds of defined contribution plans as the main problem. "Many don't participate, don't put enough into the plan, don't invest it wisely, borrow from it, and cash it out on their way to retirement because they need an SUV or other hot consumer item."

Thus the traditional "three-legged stool" model of retirement planning — social security, pensions, and savings — became too wobbly to ensure a stable future and was re-engineered to include both work and health insurance concerns.

But it isn't every boomer who will continue to work because of financial or benefit concerns — a recent AARP survey shows 53 percent of people aged 50 to 70 define their retirement as working for enjoyment.

They no longer want the commitment of a 40-hour work week or the responsibilities of being in senior management, but these boomers do want to remain a vital and integrated part of the economy. As White puts it, "they are fighting desperately for balance" — balance between economic sufficiency and the pursuit of leisure.

"They're going to try different things; they may not continue to work in their traditional job after 65 or 70, but they're not going to become a scratch golfer 18 months after they retire either," White says.

And for the sake of a healthy economy, Wyoming will need them to remain in the work force too, because as Hushbeck explains, "If people don't have jobs or good-paying jobs because either they're unemployed or because they're underemployed or losing pensions or health benefits, they can't purchase. And that becomes a vicious cycle: consumers can't purchase, producers and sellers can't sell as much, so they don't produce as much, so they can't hire and must even fire workers. It all means fewer and less paying jobs and a weakened economy."



AARP economist Clare Hushbeck

"If you step back and just think for a moment about the resource retirees are to the economy and to the work force ... if we can make this effort to welcome retirees as valuable residents of this state instead of focusing on how they may be a burden, Wyoming will be a better place to live five years from now than it is today."

— Governor Dave Freudenthal

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FLORIDA'S OUT . . . WYOMING MAY BE THE NEW "HOT" SPOT

For the past 20 years, the median age of Wyoming residents has been increasing, and it is expected to continue rising. In 2000, the state's median age exceeded the country's by one year — by 2010, that figure is expected to double. For the first time in history, Wyoming has more residents 35 and older than 34 and younger.

As White explains, "This isn't just about baby boomers; this is about the graying of America, about what model communities look like and what some communities are intentionally doing to adapt and adjust what they do with their public policy in their communities to try to invite older people into their communities and they're doing this in a very pro-active way."

In the best interests of the state, Wyoming residents will need to seriously consider not only the demographics of their work force and how they might retain older workers but the encouragement of a retirement industry that will attract retirees as well.

As consumers, the boomer population nationally will wield \$2 trillion in buying power by 2007 — a force that is calculated to have an incredible impact on the national economy. As Hushbeck explains, "(There's) a lot of business potential to take care of these aging boomers — the service sector, health and travel sectors, second-home industries, and full-service restaurant industries will all boom."

And with nearly 60 percent of retirees considering relocation, discussion of such community development is critical if Wyoming is to establish itself among the next hot spots for retirees. In a November 2002 article in *Kiplinger's* magazine, the description of what retirees are looking for feels familiar: "small communities away from the congestion, crime, and high costs of big cities — but close enough to take advantage of airports and other amenities" where "safety is more important than weather."

Late Laramie baby boomer Even Brandt skis cross-country with his daughter, Emily, 3, in row on the Pole Mountain trails in Medicine Bow National Forest in November.

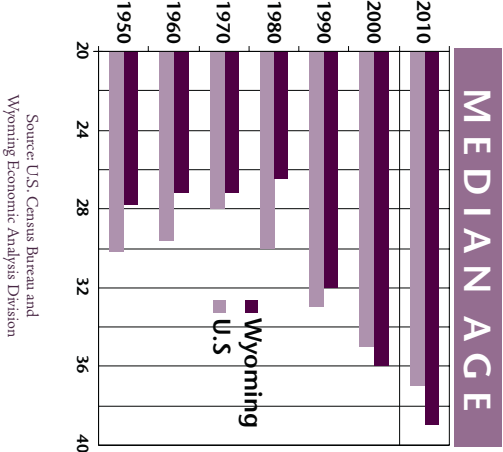
It's these same retirees, according to an article published in the May/June issue of *AARP The Magazine*, who are fed up with high taxes and big crowds and are looking for somewhere to relocate like the "New West" — including Wyoming and Colorado — that offers inexpensive living options, access to outdoor recreation, and a sense of community. Other desired features include low or no income taxes, a slower pace, and pride in local heritage.

Titled, "The 15 Best Places to Redefine Your Life," the article examines what retirees define as a model community and finds that a theme running throughout their descriptions is the environment fostered by and around colleges. The boomer research also shows the desire for life-long learning opportunities means courses in comparative literature and Greek philosophy, not just "senior classes" in computer literacy and toned-down athletics. By extension, their leisure interests — another area of their lives boomers are anxious to improve upon — are much more active than those of previous generations.

The article outlines how these 15 different communities focused on 10 recognizable criteria to satisfy the needs, interests, and tastes of Americans age 50 and older. (See p. 8-9 for full list.) The article also describes another developing trend among retirees known as the "aesthetic choice": choosing a new locale based on cultural and recreational lifestyles before considering employment opportunities, an option that many well-situated retirees consider in light of their desire to dive into entrepreneurialism or scale back to part-time work.

At first glance, Wyoming seems the perfect setting already. But White cautions against such thinking. "It wasn't that these communities just serendipitously discovered they had these 10 qualities showing up without any intentional design to them. These 15 communities had been very intentionally looking at the graying of America, looking at lifestyle preferences of baby boomers and those who are older and saying we think this can be a plus for our community."

The "15 Best" article goes on to describe model communities as "College towns (that) offer boomers who were in college in the '60s and the '70s a familiar feel," as well as high-quality jobs, first-rate health centers, the arts and other cultural attractions with a youthful vibe. Before Wyoming can market itself as the "new Florida" for retirees, residents will need to confront what the state lacks and consider what actions can satisfy those gaps.



In the “15 Best Places to Reinvent Your Life” article published in *AARP The Magazine*, 10 criteria were listed as essentials for boomers when considering a place to relocate. We’ve taken that list and added some notes on how they might be applied to Wyoming. We hope this will get you thinking about ways to use our research in your own community.



Sheridan Mayor Jim Wilson (right) discusses the growth of downtown with Texas visitors Dave and Susan Brown as they drink coffee at Java Moon on Main St. The Browns say they plan to move to Sheridan because they enjoy the community. (Photo by Anna Nken)

AVAILABILITY OF JOBS, BECAUSE MANY IN THIS GROUP WILL WORK BEYOND AGE 65.

Nationally, almost half of boomers attended or finished college and more than 70 percent live in dual-income households with a combined income of \$61,540. In the next decade, three out of four new jobs in Wyoming are predicted to be in the service or retail industries. Boomers say they will be looking to use their knowledge and experience, but not necessarily with the responsibilities of being management.

Consider: Consulting services, flexible part-time or project-based work, incentives for entrepreneurs, as well as updating and/or expanding the current telecommunications infrastructure.

AFFORDABLE (AND ATTRACTIVE) HOUSING.

According to the state Division of Economic Analysis, the 2003 Wyoming existing-home median price is \$137,249, well below the national median price of \$161,600. But builders will need to rethink floor plans to provide work space and home offices as well as wiring for high-speed Internet connections for working boomers.

Consider: Does your community offer what boomers are looking for, both in terms of housing style and size?

CULTURE AND ENTERTAINMENT, FROM MUSEUMS AND MUSICALS TO SHOPPING AND SPORTS EVENTS.

These amenities can and should be looked at as business opportunities. Film series held in Cheyenne and Casper attract many boomers and foster a strong sense of community.

Consider: Packaging retail and entertainment offerings, as well as targeted publicity to catch boomers' attention.

ACCESS TO OUTDOOR RECREATION, FROM SKIING AND BIKING TO WALKING AND HIKING.

Wyoming has an abundance of open spaces in its national, state and local parks.

Consider: Marking trails, expanding parking, creating maps, guides and other promotional materials to bring these amenities to the public's attention, as well as developing partnerships between local dining and retail establishments to create more of an overall experience.

SAFETY—PERSONAL AND PROPERTY SAFETY, AND A GENERALLY SECURE FEELING.

In 2001, Wyoming's crime rate ranked 34th in the nation and Wyoming's violent crime rate ranked 40th out of 50 states.

Consider: Publicizing these positive rankings through real estate partnerships — often the first contact potential residents make with a state — may attract boomers who say they are looking to move to small-town America.

COLLEGES OR UNIVERSITIES (FOR CONTINUING EDUCATION AND A MULTI-GENERATIONAL VIBE).

Nine community colleges dot the state, and the University of Wyoming offers annual undergraduate tuition to in-state residents at \$2,997, which is well below the 2002-2003 national average of \$4,675.

Consider: Looking at retirees as potential students and re-engineering "senior" courses to appeal to more educated boomers; expanding course selections, and offering short-term (day, week and month-long) courses that focus more on discussion and theory than course work.

SENSE OF COMMUNITY (PLACES WITH A VITAL AND WALKABLE DOWNTOWN).

Wyoming has a small-town feel even in its largest cities.

Consider: Do you like walking and spending time in your downtown? If not, what's missing that you like in other communities? Establishing a downtown development authority creates a specific team whose aim it is to market and enhance the city, as well as ensure safe and easy access to downtown retailers.

PROXIMITY TO COMPREHENSIVE, WELL-REGARDED HEALTH CARE FACILITIES.

Most specialists can be reached for visits and consultations within a few hours drive. The growing tele-care and specialist video consulting industries will add to the already existing emergency services Wyoming offers residents.

Consider: Expanding Wyoming's quality home health care system, preventive care and first-line emergency services, which when coupled with fast and dependable transportation to a regional or metropolitan center, typically satisfies the needs of rural residents.

GOOD PUBLIC HIGH SCHOOLS, BECAUSE MANY PEOPLE STILL HAVE TEENS AT HOME.

As reported in the Wyoming Tribune-Eagle, a 2002 survey shows Wyoming has the highest high-school graduation rate in the nation among residents aged 25 and older. According to the 2002 American Community Survey, 90.2 percent of Wyoming's residents who are age 25 or older either graduated from high school or hold equivalent degrees.

Consider: Is this statistic common knowledge? Are there other facts related to the local school system that real estate agents and chambers of commerce need to know when interacting with boomers considering moving to Wyoming?

EASE OF GETTING AROUND (PUBLIC TRANSPORTATION, TRAFFIC, ACCESS TO AN AIRPORT).

Every county has a free or low-cost public transit program through WYTRANS, but in some communities it is only available on an "as needed" basis.

Consider: The full range of transportation needs — local, within the state, and out of state. Does your area offer public transportation with regular fees, pick-up times, and locations that consider people's work schedules, as well as one that uses a clean, safe, well-marked and cheerful-looking vehicle that encourages use from all area residents? Does Wyoming need some type of ground transportation shuttle system between its larger cities? Lastly, boomers say they want accessible and affordable air travel.

“People already say Wyoming is a great place to retire. Why do we say that? Wyoming is a place for people to come who have made their wealth elsewhere and want to hold on to it. It also needs to be a place where people can concentrate on generating wealth, regardless of age. You can't look at this predicted boom in retirees and say the only purpose of trying to develop an economy for young people here is so they can pay taxes to take care of old people. The way you need to think about Wyoming is that this is an opportunity for all of us to expand our economy. If we do that, we will create something that works for older adults, and at the same time, we will have created something that keeps our kids here.”

— Gov. Freudenthal



LOCAL SUCCESSES POINT THE WAY

We've been looking at economic development and the needs of our communities, but not in terms of demographics," Cody Mayor Ken Stockwell explains. "It's the focus we need to have."

And with one in three Wyoming workers approaching traditional retirement age, the new model for a successful community provides opportunities for aging boomers who want or perhaps need to remain in the workforce. The shift from "back work" to "brain work" across the state may require the creation of a workforce development program for older workers, a program that considers the needs and experience of boomers when determining job placements.

"There's a lot employers can do in this domain. They can make flexible opportunities available for older workers, they can make it possible for them to tele-commute — all these are good for younger workers too — working part-time, working from a halfway point between home and work," Hashbeck explains.

Suggestions workshop participants listed include first cataloging businesses and industries statewide to survey current job offerings, then encouraging part time, professional, seasonal, and year-round employment opportunities as well as organizations to match retiring boomers with appropriate, stimulating jobs. Throughout the process, attendees agreed, it will be essential to maintain an open dialogue between employers and those involved with public policy in order to keep up-to-date on each other's needs.

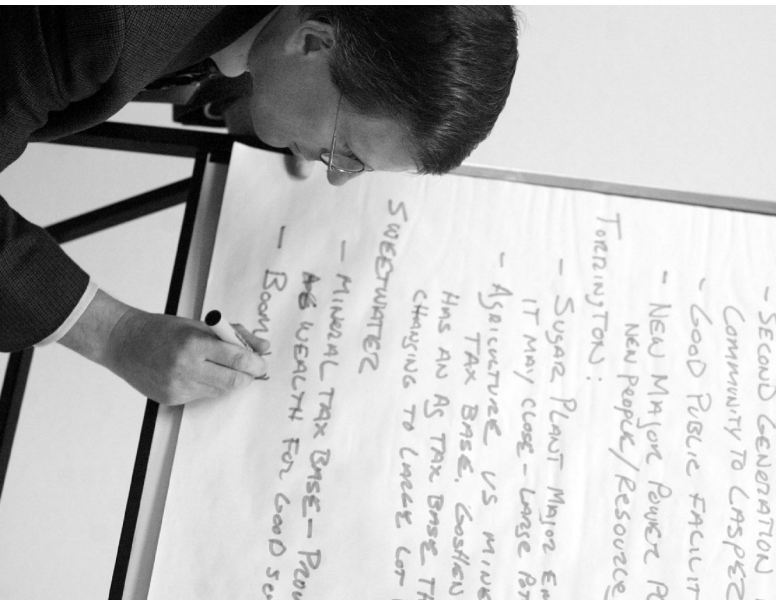
White says, "As people leave more traditional work and start setting up their own shops, restaurants, become consultants working across state borders and across the world, corporations need to have that same ability to adapt and change."



Source: Wyoming Department of Administration and Information



Secretary of State Joe Meyer explains that local governments should investigate state matching funds for their community projects.



Mark Koe of Sweetwater County takes notes during a community assessment at the Albion of the Curve workshop in Cheyenne.

Adapting other sectors of the state, such as the recreation industry, to accommodate the coming wave of boomers will require the same type of analysis and action. Other than job opportunities, retiring boomers want interesting ways to spend their time.

Wyoming can capitalize on boomers' desire for outdoor recreation by developing and promoting existing outlets like the mountain biking and skiing industries, pastimes that require extensive and costly gear as well as instruction. Recreation activities are often coupled with the resort industry, which means economic opportunities in the form of access fees, fine dining, and lodging, all ranging from budget to luxury options.

Similar consideration should be aimed at redeveloping pre-existing community college amenities to address boomers' desire for lifelong learning opportunities. Current "senior" offerings include "Introduction to Bridge" or "Seniors Introduction to Scanning." Limited choice in courses, which themselves are often brief in length, won't appeal to the better-educated and more well-traveled boomer.

Cheyenne resident and longtime Laramie County Community College student Cheryl McVay, 54, explains, "Boomers are looking to take courses in philosophy, art history, foreign language, or cultural and religious studies, courses they maybe didn't get a chance to explore while they were in college."

McVay says she often audits semester-long courses, but would prefer abbreviated classes that met once a week for a couple months to discuss readings and coursework. Semester-long courses as they are currently structured, she explains, seem more focused on attendance and the discipline of "class." Thus, adapting the current community college scene means developing courses with these potential students in mind.

Large-scale recreational development, like Cody's Quad Center, not only requires consideration of boomers' wants, but necessitates their support and involvement, especially in smaller communities lacking substantial revenues.

Initially, the Quad Center faced tough opposition from the over-50 crowd, a group not particularly interested in dodging balls or putting up with grade-schoolers. Department of Parks and Recreation Director Rob Schoeber recalls, "We heard time and time again . . . I will never step foot in that place. They're now coming in to get their health fair results, to see their grandkids play basketball, for conventions." Since restructuring their program schedule, that group now accounts for more than 60 percent of the Quad's 5,000-plus membership.

In addressing resident resistance to change, Cody Department of Public Works Director Steve Payne, also a member of the Cody Chamber of Commerce and planning commissions, explains, "There is some question out as to how much growth is appropriate and where we want to go as a community," but getting people involved and informed must come first before that can be decided.

"That happens by respecting those who are already there and their values and what they have pride in. . . . If the growth can enlighten and add to what is already there, and strengthen what is in the community, then I find the community is all for it."

Nicolajsen Museum director Holly Turner emphasizes the importance of public education and targeted publicity in her efforts to pull

Distribution of Population by Age, 2000 & 2020 (Projected)						Total
AGES	50-64	65-74	75-84	85+	Population	
2000 (%)	State U.S.	15.8 14.9	6.3 6.5	4.0 4.4	1.4 1.5	493,782 281,421,906
2020 (%)	State U.S.	17.2 18.7	13.2 9.7	5.7 4.7	2.6 1.9	428,501 327,909,900
% Change in Population No.	State U.S.	-5.6 46.6	80.1 72.3	24.7 25.5	66.8 48.9	-13.2 16.5

Source: AARP Public Policy Institute

the "Nic," Casper's contemporary art museum, up out of \$200,000 worth of debt. By generating pride for the museum and the local community with The Buffalo Run campaign, in which area businesses bought and displayed one-of-a-kind buffalo statues painted by local artists, Turner's project capitalizes on boomers' desire for community pride and local cultural offerings.

And as a viable enterprise, the museum acts as a community attraction and source of employment. In getting there, Turner traded publicity for funds, an approach which appeals to a wider audience than traditional donations; or as Turner suggests, creates opportunities where people can give of their time and energy rather than actual dollars.

In soliciting finances from the community, Sheridan Mayor Jim Wilson and the Cody Quad Center Management team stress two words: investment and partnership.

"You've got to point out exactly how those dollars are going to be spent," Wilson explains in describing Sheridan's downtown development authority and other beautification efforts. "People in Sheridan have invested — they've passed an optional sales tax twice and a capital facilities tax twice — because they could see the results of their tax dollars."

When taxes won't work, Schoeber says you have to appeal to the individual. He explains, "Over 700 people in and around the Cody area have participated in the fundraising effort. The long and the short of it is we have a \$13.5 million facility that has been constructed in Cody all without tax dollars; it was all raised with private funding through partnerships and through knocking on doors with people to get involved."

Both Sheridan and Cody consulted retirees for their experience in community planning. Each emphasized how learning partnerships are equally as important as financial ones. And when the source of experience can't be found within one's community, Mayor Wilson finds nothing wrong with looking to others.

"We've got a beautiful outdoor ice arena that a foundation in Sheridan is building. The people can walk from the schools to the skating rink. It will be a boon to our restaurant industry downtown. Why is it downtown? Because we went to Cody and found out they keep theirs downtown — that's a viable, vibrant downtown," Wilson explains with a laugh. "Don't tell me that baby boomers don't come through Sheridan and look at our pathways for bicycles, roller skating, and so forth — I stole that from Cheyenne!"

Turner tapped into the experience of organizers in Billings, Mont., who did a similar project with horse statues and purchased the manual they compiled on the process. "There are many, many communities that have done these events. If it was very successful for them, why reinvent?" Turner asks.

By inviting participation and listening to their communities as well as those around them, these three communities have keyed into the same type of value-oriented analysis the "15 Best" incorporated. These communities made conscious decisions about the direction in which they chose to aim their development efforts — a decision that if left unsettled can spell economic ruin for any community.



“We’re not going to have an economy in Wyoming that is vibrant and alive for the younger generation if we have an economy in Wyoming that is essentially dead for the older group. In fact, you’re either going to have a vibrant economy or you’re not. Statistics show that, where communities tap the intellectual gifts, work ethic, and energy of older adults, young people prosper as well.”

— Gov. Freudenthal



“I’m an animal lover, John is too. This is a great business for us,” Lynn Boak said. Boak and her husband, John Pippenger, of Cheyenne, own Arroyo Seco Alpacas. The couple started raising alpacas three years ago, and plans to run the business as a retirement income.

IN CONCLUSION . . .

For years the common complaint in Wyoming has been the youth leaving the state. The stakes are greater than this. The boomer generation currently remains a virtually untapped natural resource just waiting to be mined. Enlist the young and old, encourage entrepreneurialism, and do something. And do it now because Wyoming cannot afford to lose out in terms of the revenues or the opportunities for a dynamic work force.

“Send Sheridan your poor and even send us your baby boomers, we’ll take them,” Wilson tells the crowd. “They’ve been mighty good to all of us!”

Twenty years from now, Sheridan should not be the lone success story. Working together within our communities and as one state, the possibilities are endless. Take a cue from the boomers researched in AARP’s study, “Boomers at Midlife”: be forward-thinking, be optimistic, be confident.

Looking out over the crowd, Gov. Freudenthal sums it up, “This is a remarkable state with 500,000 people who have the most incredible opportunity presented to any state in the country. If we blow it, we have nobody to blame but ourselves.” ■



Governor Freudenthal

HOW TO GET INVOLVED

We hope you are inspired by this report to take action in your community. We are in the planning stages of holding several meetings with local and state leaders and agencies based on the 10 criteria, including recreation, employment, and life-long learning, as well as statewide transportation and telecommunications infrastructures.

And most exciting, plans for our next workshop — to be held this summer — are now in the works. Based on suggestions gathered at the last workshop, the sequel will focus on what can be done at the community level, highlighting local transportation, cultural and recreational offerings, beautification efforts and main street initiatives, as well as consider sources of leadership, funding, and other valuable partnerships.

Also, AARP economist Clare Hushbeck will present more demographic information as it relates to health care at the Rural Health Conference to be held May 5-7 in Sheridan, Wyoming.

For more information on any of these steps or on how you can become a part of the action, contact AARP Wyoming at 1.866.663.3290; email us at wy@aarp.org, or visit www.aarp.org/wy.



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This report was published by AARP Wyoming, February 2004.
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